

Comments for the Medicaid Revitalization Committee
August 2, 2006

Good morning, Commissioner Finnerty and members of the committee. I am Larry Goldman, Vice President of Strategic Planning and Development for ValueOptions, Inc. ValueOptions, headquartered in Norfolk, Virginia, is not only the largest privately owned behavioral health managed care organization in the nation, but is the largest manager of Medicaid Mental Health Programs. In addition, we provide managed behavioral healthcare programs to large employers health plans, and the Federal Government throughout the country, covering over 24, 000,000 Americans. We are proud to collaborate with the Commonwealth in managing employee assistance, mental health, and substance abuse treatment for the Virginia Commonwealth Employees, as part of the COVA Care plan.

We manage Medicaid and public assistance program for states and counties across the nation in large urban, suburban, as well as rural and frontier areas. Through innovation and the use of ValueOptions' state-of-the-art technology, our government partners have integrated services more effectively across agencies and programs. Our programs have achieved:

- Increased access to services,
- Expanded involvement and satisfaction of consumers and advocates, and
- Savings that have been reinvested into the behavioral healthcare system.

I would like to discuss several items that may be important for the committee to consider as it examines innovative approaches to Medicaid healthcare delivery in the Commonwealth of Virginia:

They are:

- That it is important for the Commonwealth to define a strategic vision, and to clearly communicate it to all stakeholders, from consumers to families to providers, etc.
- That behavioral health care become an integral part of Medicaid revitalization, meeting the goals of transformation and recovery as addressed by the President's New Freedom Commission on Mental Health Care
- That the Commonwealth look carefully at the current behavioral health delivery model, with some consideration that although an insurance model can be effective for some sector of the Medicaid population, the use of a specialized mental health vendor for adults with serious mental illness and children who have serious emotional disturbances can be more effective, both from an outcomes and cost perspective.
- That the movement towards consumer-directed care is a key step in the revitalization of the system, but this model needs to be specially crafted to meet the needs of this population of consumers, creating the right incentives that truly do influence compliance and outcomes.
- That the development of a comprehensive system would provide an integration of services across all life domains, helping to blend the systems, agencies, and dollars that allow effective, evidence based treatment, performed in a cost effective manner that focuses on building resiliency in families, supporting recovery, and reintegration into the community
- I would like to conclude by quoting the Former Speaker of the House, Newt Gingrich, who stated in his recent testimony to the Medicaid Commission on July 12, 2006:
 - "...[we] must not be bound by the status quo, as successful and potentially successful initiatives may look radically different that what we've seen in the last forty years..."

- We at ValueOptions support the efforts of this Committee and the Commonwealth as we look for ways to enhance and revitalize the Medicaid system; the key is to look ahead, prepare for the future, while learning from the past.

ValueOptions and I thank you for allowing me to bring these key issues to you.

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